

## State of Utah Department of Commerce

FRANCINE A. GIANI Executive Director JASON P. PERRY Deputy Director

## **NEWS RELEASE**

## November 25, 2005

## EX-CONVICT AGREES TO REPAY ADVANCE FEE INVESTMENT

The Division of Securities, in the Utah Department of Commerce, today announced that Roy A. Clarkston and his company, Masada Capital Limited, LLC, both of Ogden, Utah, were ordered to cease and desist from violating Utah's securities laws and will repay \$5,250 taken from an investor and a \$500 fine.

Clarkston and Masada took the money from a Layton company, promising to obtain a \$5 million loan for the company from a Salt Lake City loan broker. Clarkston claimed that the loan broker, E&V Investments, had \$650 million in assets. The investor never received the promised loan or any value for the advance fee paid. Clarkston failed to disclose to the investor that the owner of the loan broker had declared bankruptcy in 1996 and had unpaid money judgments entered against him. In addition, Clarkston did not tell the investor that he had a criminal record, having been convicted in 1995 of money laundering in Texas.

Clarkston and Masada consented to the entry of the cease and desist order and will repay the investor in full, with interest, within thirty days. The Division of Securities is continuing its case against the loan broker, E&V Investments and Virgil G. Smock, its owner.

Francine Giani, Executive Director of the Department of Commerce warned citizens not to pay advance fees for any loan. "No legitimate lender requires the payment of loan fees in advance of making a loan," said Giani.